

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



Official CMS Information for  
Medicare Fee-For-Service Providers

## Ambulance Fee Schedule

### PAYMENT SYSTEM FACT SHEET SERIES





**T**his publication provides the following information about the Ambulance Fee Schedule (FS):

- ❖ Background;
- ❖ Ambulance providers and suppliers;
- ❖ Ambulance services payments;
- ❖ How payment rates are set; and
- ❖ Resources.

## Background

Section 4531(b)(2) of the Balanced Budget Act of 1997 added Section 1834(l) to the Social Security Act (the Act), which mandated the implementation of a national Ambulance FS effective for Medicare Part B ambulance services claims with dates of service on or after April 1, 2002. The Ambulance FS applies to all ambulance services. Section 1834(l) of the Act also required mandatory assignment for all ambulance services, which means that the provider or supplier will be paid the Medicare allowed amount as payment in full for their services. In addition, providers and suppliers may bill or collect only any unmet Part B deductible and coinsurance amounts from the beneficiary.



## Ambulance Providers and Suppliers

The Ambulance FS applies to the following providers and suppliers:

- ❖ Volunteer;
- ❖ Municipal;
- ❖ Private;
- ❖ Independent; and
- ❖ Institutional (i.e., hospitals, Critical Access Hospitals [CAH] with the exception of CAHs that are the only ambulance service within 35 miles, and Skilled Nursing Facilities).

## Ambulance Services Payments

Payment for ambulance services under the FS:

- ❖ Includes a base rate payment (level of service provided) plus a separate payment for mileage to the nearest appropriate facility;
- ❖ Covers both the transport of the beneficiary to the nearest appropriate facility and all medically necessary covered items and services (e.g., oxygen, drugs, extra attendants, and electrocardiogram testing) associated with the transport; and
- ❖ Precludes a separate payment for items and services furnished under the ambulance benefit.





## How Payment Rates Are Set

Effective January 1, 2006, the Ambulance FS was fully implemented. Each year, an update is applied to the payment limits for ambulance services that is equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending with June of the previous year. Under the Affordable Care Act, Section 1834(l)(3)(B) of the Act was amended to apply a productivity adjustment to the update equal to the 10-year moving average of changes in economy-wide private nonfarm business multi-factor productivity (MFP) beginning on January 1, 2011. The resulting update percentage is called the Ambulance Inflation Factor (AIF). For calendar year (CY) 2011, the MFP is 1.2 percent and the CPI-U is 1.1 percent. Under the Affordable Care Act, the CPI-U is reduced by the MPF, even if the reduction results in a negative AIF. Therefore, the AIF for CY 2011 is -0.1 percent.

### GROUND AMBULANCE SERVICES

Effective January 1, 2006, the total payment amount for ground ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for ground ambulance services under the Ambulance FS include the following elements:

- ❖ A nationally uniform base rate or conversion factor for all ground ambulance services;
- ❖ A numeric value for ambulance services relative to the value of a base level ambulance service called a relative value unit is assigned to each type of ground ambulance service;
- ❖ A geographic adjustment factor (GAF) for each Ambulance FS locality area (geographic practice cost index [GPCI]);
- ❖ A nationally uniform loaded mileage rate;
- ❖ An additional amount for certain mileage for a rural point-of-pickup (POP); and
- ❖ Additional payments for certain specified temporary periods.



### AIR AMBULANCE SERVICES

As of January 1, 2006, the total payment amount for air ambulance providers and suppliers is based on 100 percent of the national Ambulance FS. Payments for air ambulance services under the Ambulance FS include the following elements:

- ❖ A nationally uniform base rate for fixed wing and a nationally uniform base rate for rotary wing;
- ❖ A GAF for each Ambulance FS locality area (GPCI);
- ❖ A nationally uniform loaded mileage rate for each type of air service; and
- ❖ A rural adjustment to the base rate and mileage for services furnished for a rural POP.





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To find information about ambulance services, visit <http://www.cms.gov/center/ambulance.asp> and to find information about the Ambulance FS, visit <http://www.cms.gov/AmbulanceFeeSchedule> on the Centers for Medicare & Medicaid Services (CMS) website. Additional information can also be accessed in Chapter 10 of the Medicare Benefit Policy Manual (Pub. 100-02) and Chapter 15 of the Medicare Claims Processing Manual (Pub. 100-04) located at <http://www.cms.gov/Manuals/IOM/list.asp> on the CMS website.

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